



# CITY MANAGER'S REPORT

## AGENDA ITEM REQUEST

UTILITIES DEPARTMENT

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**DATE:** April 28, 2016

**TO:** Ed Lavallee, City Manager

**FROM:** Tim Hochuli, PE, PMP, Utilities Director *TAH 4/29/16*

**COUNCIL DATE:** May 10, 2016

**SUBJECT:** **Water Meters**  
**Sole Source Purchase (Innovative Metering Solutions)**

**Background:**

Over ten years ago, the City initiated a program for the replacement of all manual read meters with radio read meters. These initial installations have reached their recommended useful life. Utilities included a capital project to start replacement of the oldest of these meters this fiscal year. As most utility systems do, Utilities uses a sole source supplier for water meters. In this case, Badger Meter is the manufacturer used by Utilities. Innovative Metering Solutions (IMS) is the sole source vendor for Badger Meter in this area. Utilities currently has a sole source purchase agreement with IMS in the amount of \$160,000 for fiscal year 2016 to allow the purchase of water meters needed for new water service connections and replacing damaged meters.

Initiation of this capital project will be Utilities' first significant step in upgrading the existing radio read meters (Automatic Meter Reading) to Advanced Metering Infrastructure (AMI). The upgraded meters will ultimately transmit meter data to centrally located towers and will not require meter readers to drive by each meter to collect meter data. In addition, detailed flow data can be obtained instantaneously for individual customers without sending staff to a customer. Full implementation of all AMI capabilities is planned in a couple years, once enough AMI meters are in the system to justify the expense of the towers needed to transmit and receive signals. There are approximately 1,020 water meters that are greater than 10 years old that will be replaced as part of this year's project.

The existing sole source purchase agreement with IMS will need to be increased to allow Utilities to purchase these replacement meters. The anticipated cost for the 1,020 meters to be purchased is \$230,000.

**Requested Action:**

The Utilities Department requests Council's approval for modifying an existing agreement to allow additional services of Innovative Metering Solutions in the amount of \$230,000 for a total of \$390,000 for fiscal year 2016.

**City Attorney Review:**

N/A

**Risk Management Review:**

N/A

**Funds Availability (account number):**

Based on Council's approval, funds are available in account number 421-1202-536.63-00.