

AGENDA



Thursday, May 24, 2007

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 21**

Subject: Authorize award and execution of a 12-month requirements supply contract with HERSEY METER COMPANY, LLC, Cleveland, NC, for the purchase of water meters for the Austin Water Utility in an estimated amount not to exceed \$328,431, with two 12-month extension options in an estimated amount not to exceed \$377,696 for the first extension option and \$434,350 for the second extension option, for a total estimated contract amount not to exceed \$1,140,477.

Amount and Source of Funding: Funding in the amount of \$109,477 is available in the Fiscal Year 2006-2007 Operating Budget of the Austin Water Utility. Funding for the remaining eight months of the original contract and extension options is contingent upon available funding in future budgets.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Stephen Aden, Supervising Sr. Buyer, 974-2021.

Purchasing Language: Lowest bid of three bids received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore no goals were established for this solicitation.

Boards and Commission Action: Recommended by the Water and Wastewater Commission.

This contract is for the supply of various types of water meters for the Austin Water Utility to be installed within the water distribution system on an as needed basis. The water meters supply data to establish revenue billing for the City of Austin. By monitoring water meters, the City is able to verify water leaks in the distribution system, gallons used per customer, and product demand during peak and non-peak times. The information gathered is vital to the Utility's commitment in keeping satisfied customers.

MBE/WBE solicited: 2/0

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Twenty-three notices were sent, including two MBEs. There are no WBEs available for this commodity. Three bids were received.
- c. The pricing offered represents a 20% decrease from the last contract award in March 2006. Hersey Meter Company and Badger Meters are the current providers of the items being awarded.

APPROVAL JUSTIFICATION

- a. Lowest bid received.
- b. The Purchasing Office concurs with the Austin Water Utility's recommended award.
- c. Advertised in the Austin American-Statesman and Internet.