

AGENDA



Thursday, June 5, 2008

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 33**

Subject: Authorize award and execution of a 12-month requirements supply contract with HERSEY METERS COMPANY, LLC, Cleveland, NC, for the purchase of water meters in an estimated amount not to exceed \$199,650, with two 12-month extension options in estimated amounts not to exceed \$249,562 for the first extension option, and \$311,952 for the second extension option, for a total estimated contract amount not to exceed \$761,164.

Amount and Source of Funding: Funding in the amount of \$66,550 is available in the Fiscal Year 2007–2008 Operating Budget of the Austin Water Utility. Funding for the remaining eight months of the original contract period 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: Steve Aden, Supervising Sr. Buyer, 974-2021.

Purchasing Language: Sole Source.

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 bypass water meters for the Austin Water Utility (AWU) to be installed with the water distribution system as needed. The water meters supply data to establish revenue billing for the City of Austin. In addition, by monitoring water meters, the City will also be able to verify water leaks in the distribution system, gallons used per customer, and demand during peak and non-peak times.

Water meters will be delivered and stored at the Webberville Service Center Storeroom for use by crews on an as needed basis. Hersey Meters Company is the sole source manufacturer of the MVR and Horizon Water Meters being purchased under this agreement.

PRICE ANALYSIS

- a. Sole Source.
- b. The pricing offered represents a 23% increase to the last contract award in March 2006. This increase can be attributed to the increased cost for metals, manufacturing, and transportation.
- c. Hersey Meters Company is the current provider of these items.