



Legislation Text

File #: 18-609, Version: 1

**CITY COUNCIL AGENDA ITEM**

**ACTION REQUESTED:**

Approve the award of Bid 18-177, Residential Water Meters, to Core and Main for an amount not to exceed \$1,799,380

**DEPARTMENT:** Water Utilities

**SUBMITTED BY:** James Holzapfel, Director

**BOARD/COMMISSION REVIEW:**

N/A

**BACKGROUND:**

There are approximately 40,257 residential water meters (1-inch and smaller) located within the Naperville Water Utilities' jurisdiction. Of these, approximately 13,000 or 32.5% are more than 16 years old and are past their warranty period. The Water Utilities plans to replace the older meters and continue replacements on a rolling basis as newer meters age into this category. Also, the Water Utility anticipates 400 new water meters will be added on an annual basis to the system with the remaining meters for unplanned meter replacement.

The Water Utilities issued Bid 18-177, Residential Water Meters, seeking a vendor to sell water meters to the City for use in new construction and the replacement of existing meters. The City maintains a stock inventory of meters at the Water Utilities Service Center for replacements.

The Water Utilities expects to be transitioning to either an automatic meter reading (AMR) or an advanced metering infrastructure (AMI) system before the end of this contract. This contract anticipates the phasing in of either an AMR or AMI system and provides the flexibility to replace the manual reading equipment with automated equipment.

**DISCUSSION:**

Advertisement Date:	07/16/18	Notices Sent:	184
Opening Date:	08/02/18	Plan holders:	6
		Proposals Received:	2

Bids were received from the following vendors:

Vendor	Total Adjusted Bid Price	Cost Adjustment	Total Bid Price
Core & Main, LP	\$4,835,840	\$3,036,460	\$1,799,380

<i>Engineer's Estimate</i>	<i>\$4,918,580</i>	<i>\$3,083,200</i>	<i>\$1,835,380</i>
Water Resources	\$5,071,000	\$3,012,380	\$2,058,620

The selection process accounts in this bid for water meter accuracy using a cost adjustment factor calculated for each meter. The cost adjustment calculation reflects estimated value of revenue lost due to metering inaccuracies with the least accurate meters receiving the greatest cost adjustment. The adjustment factor is based upon the manufacturer's published accuracy data applied to a residential usage profile developed by the American Water Works Association (AWWA). The chosen return period was five years, which aligns with AWWA new meter accuracy requirements. This ensures the cost recovery will be completed while meters are guaranteed to record at their published accuracy ranges.

The term of this contract is from date of award through December 31, 2020 with three, one-year options to extend.

**FISCAL IMPACT:**

CIP #: WU20, WU19

Water meter replacements are expensed to the infrastructure account listed below as part of the Capital Improvement Program. A total of \$975,000 is budgeted for water meter projects in 2018, including \$50,000 for meters to new developments and \$925,000 for replacement of existing meters. Both projects are reoccurring in the CIP with tentative budgets of \$1,200,000 in 2019 and \$1,200,000 in 2020.

<b>Account Number</b>	<b>Fund Description</b>	<b>Total Budget Amount</b>
41251500-551502	Water Utility	\$ 10,567,500