

Agenda Report

January 12, 2004

To: City Council
From: City Manager
Subject: Authorization to Increase the Not-to-Exceed Amount of Purchase Order Contract Number 21,118 with AMCO Water Metering Systems, Inc. for Furnishing and Delivering Water Meters for the Water and Power Department, Specification WD-00-02

RECOMMENDATION

It is recommended that the City Council authorize an increase of \$300,000 to the not-to-exceed annual amount of Purchase Order Contract Number 21,118 with AMCO Water Metering Systems, Inc. for the Water and Power Department.

BACKGROUND

On September 18, 2000 the City Council authorized the Purchasing Administrator to issue a purchase order to ABB Water Meters Inc. for Furnishing and Delivering Cold Water Meters for the Water and Power Department. ABB is now AMCO Water Systems Inc. The initial Contract was for a period of two years with the option to extend for two additional one-year periods, subject to the approval of the General Manager of the Water and Power Department. The contract was not to exceed \$200,000 annually.

The purchase order for the first two-year period of the contract was issued on September 19, 2000. The initial period expired on September 17, 2002, and the first extension expired on September 17, 2003. The second extension of the contract is due to expire on September 17, 2004. The contract was for an amount not-to-exceed \$200,000 annually.

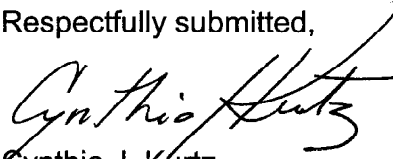
Due to the recommendation in the Water System Master Plan, the Water and Power Department has accelerated the replacement rate of water meters in the current fiscal year and it is anticipated that this replacement program will be ongoing. \$187,230 has already been expended under the second and last extension of the purchase order contract. In order to continue on the current pace of meter replacements and meet the

goals as recommended in the Master Plan, staff recommends that the not-to-exceed amount of the current purchase order contract be increased from \$200,000 to \$500,000 to accommodate additional water meter purchases needed for the water replacements for the remainder of the fiscal year. AMCO is willing to extend the current unit prices for the water meters up to the new contract amount. Water and Power Department staff will be issuing a new specification for water meters for the next fiscal year.

FISCAL IMPACT


Funds for furnishing and delivering water meters are provided for in the Water Division's FY 2004-2005 Capital Budget, Project Type 1002.

Respectfully submitted,

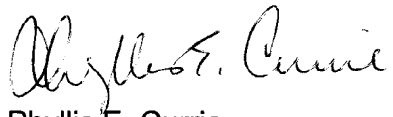


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