



# Agenda Report

September 16, 2024

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT:** **AUTHORIZE THE CITY MANAGER TO ENTER INTO CONTRACTS WITH ZENNER USA INC., THIRKETTLE CORPORATION DBA AQUA-METRIC SALES COMPANY, AND FERGUSON ENTERPRISES, LLC. DBA FERGUSON WATERWORKS TO FURNISH AND DELIVER WATER METERS FOR A TOTAL AMOUNT NOT-TO-EXCEED \$2,928,110 FOR THE WATER AND POWER DEPARTMENT**

**RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action is not subject to the California Environmental Quality Act ("CEQA") pursuant to Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c) and 15378, and, as such, no environmental document pursuant to CEQA is required;
2. Authorize the City Manager to enter into a contract, as the result of the competitive selection process, as specified by Section 4.08.047 of the Pasadena Municipal Code, with Zenner USA, Inc. to furnish and deliver water meters for five years and in an amount not-to-exceed \$1,144,206, which includes the base contract amount of \$1,040,187 and a contingency of \$104,019 to provide necessary change orders. The contract includes the option for two additional one-year extensions, or an amount not-to-exceed \$245,187, whichever occurs first, at the discretion of the City Manager. Competitive price bidding is not required pursuant to City Charter Section 1002(F) contracts for professional or unique services;
3. Authorize the City Manager to enter into a contract as the result of the competitive selection process, as specified by Section 4.08.047 of the Pasadena Municipal Code, with Thirkettle Corporation dba Aqua-Metric Sales Company to furnish and deliver water meters for five years and in an amount not-to-exceed \$440,712, which includes the base contract amount of \$400,648 and a contingency of \$40,064 to provide necessary change orders. The contract includes the option for two additional one-year extensions, or an amount not-to-exceed \$94,438, whichever occurs first, at the discretion of the City Manager. Competitive price bidding is not required pursuant to City Charter Section 1002(F) contracts for professional or unique services; and

4. Authorize the City Manager to enter into a contract as the result of the competitive selection process, as specified by Section 4.08.047 of the Pasadena Municipal Code, with Ferguson Enterprises, LLC dba Ferguson Waterworks to furnish and deliver water meters for five years and in an amount not-to-exceed \$1,343,192, which includes the base contract amount of \$1,222,084 and a contingency of \$122,108 to provide necessary change orders. The contract includes the option for two additional one-year extensions, or an amount not-to-exceed \$287,827, whichever occurs first, at the discretion of the City Manager. Competitive price bidding is not required pursuant to City Charter Section 1002(F) contracts for professional or unique services.

**BACKGROUND:**

Pasadena Water and Power (“PWP”) Department’s water service territory has approximately 38,000 service connections, each requiring a water meter which is a device to record the amount of water used by customers. PWP’s existing water meters utilize Automatic Meter Reading (“AMR”) technology, and usually have a lifespan of 15 to 20 years, depending on the type of meter and the manufacturer. Accurate billing to the customers depends on the replacement of aging and/or non-functional water meters. Each year, PWP replaces approximately 1,500 water meters. A Request for Proposals (“RFP”) was developed to furnish and deliver water meters categorized into three groups (Group One, Group Two, and Group Three) based on the type and size of the meters. Vendors had the opportunity to propose on any one or all three groups based on their specialty. The City of Pasadena (“City”) benefits from this strategy by selecting the best-fit vendor for each specific meter group. The RFP also considered PWP’s implementation of an Advanced Metering Infrastructure (“AMI”) project with the estimated water meter deployment phase beginning in Fiscal Year (“FY”) 2026. All meters in the three groups are specified to be AMR ready for current application and compatible for AMI technology.

On May 14, 2024, a Notice Inviting Proposals for Project ID 2024-RFP-0086 was posted on OpenGov. In addition, twelve vendors, including industry reputable water meter vendors/manufacturers and vendors who previously had contracts with the City, were notified via email of the proposal opportunity. There are no known water meter vendors in the City. A total of seven proposals were received on June 20, 2024, and deemed responsive, with three proposals for Group One, two proposals for Group Two, and six proposals for Group Three. No proposals were received from local vendors.

An evaluation of the proposals using the criteria set forth in the RFP was conducted. The proposals were evaluated according to the stated criteria outlined in the RFP and were scored as follows:

<b><u>Group One: Multi-Jet and Positive Displacement Type Meters</u></b>		
<u>Vendor Name</u>	<u>Location</u>	<u>Total Score</u>
<b>Zenner USA, Inc.</b>	Addison, TX	<b>73</b>
iFlow Inc.	Santa Ana, CA	70
CASSI Flow Control	San Ramon, CA	65
<b><u>Group Two: Compound and Turbine Type Meters</u></b>		
<b>Thirkettle Corporation dba Aqua-Metric Sales Company</b>	Riverside, CA	<b>71</b>

Zenner USA, Inc.	Addison, TX	68
<b>Group Three: Ultrasonic Type Meters</b>		
<b>Ferguson Enterprises, LLC dba Ferguson Waterworks</b>	Redondo Beach, CA	<b>65</b>
Core & Main LP	Lancaster, CA	62
HPS West Inc., dba HydroPro Solutions	Ontario, CA	61
Zenner USA, Inc.	Addison, TX	60
iFlow Inc.	Santa Ana, CA	60
CASSI Flow Control	San Ramon, CA	55

A complete summary of the ranked proposals is included in Attachment A. Zenner USA, Inc. (“Zenner”), Thirkettle Corporation dba Aqua-Metric Sales Company (“Aqua-Metric”), and Ferguson Enterprises, LLC dba Ferguson Waterworks (“Ferguson Waterworks”) received the highest scores based on criteria demonstrating the proposed water meters’ performance, compatibility with PWP’s existing AMR meters and potential AMI technology, lead time, cost, and vendors’ experience. These top three ranked vendors, one from each Group, are selected to furnish and deliver water meters for the City. These selected vendors will not be guaranteed any specific quantity of meters to be purchased by the City.

It is recommended that the City Council authorize the City Manager to enter into contracts with Zenner, Aqua-Metric, and Ferguson Waterworks in amounts not-to-exceed a grand total of \$2,928,110, which includes the base amount of \$2,661,919 and a 10% contingency of \$266,191. The City has no contract history with any of the three recommended vendors.

**COUNCIL POLICY CONSIDERATION:**

The proposed contracts are consistent with the City Council’s strategic goals to improve, maintain, and enhance public facilities and infrastructure. It supports PWP’s Water System and Resources Plan that was adopted by the City Council in 2021, allowing for the on-going replacement of aging water meters.

**ENVIRONMENTAL ANALYSIS:**

The proposed action is not a “project” subject to CEQA pursuant to Public Resources Code Section 21065 and within the meaning of State CEQA Guidelines Sections 15060 (c) and 15378. The authorization of the proposed contracts to furnish and deliver water meters is an administrative and maintenance activity which falls within the meaning of State CEQA Guidelines Section 15378(b). The authorization of the proposed contracts would not commit the City to undertaking or approving any actual or specific physical construction activities or any other actions involving physical changes to the environment under Section 15060(c)(2). Therefore, the proposed action is not a “project” subject to CEQA, no environmental document is required.

**FISCAL IMPACT:**

The total cost of these contracts including contingency is \$2,928,110. Funding for this action will be addressed by the utilization of existing appropriations in the Water Capital Fund 412 Capital Improvement Programs Meters and Services (1081) and Customer Driven - Mains, Meters, and Services (1082). It is anticipated that \$1,045,754 will be expended in FY 2025. There is no impact to the General Fund.

The following table represents a project summary:

	Zenner	Aqua-Metric	Ferguson Waterworks
Initial three-year contract base amount	\$817,290	\$314,795	\$959,423
Initial three-year contract contingency	\$81,729	\$31,479	\$95,942
Two optional one-year extensions base amount	\$222,897	\$85,853	\$261,661
Two optional one-year extensions contingency	\$22,290	\$8,585	\$26,166
<b>Total amount of contract</b>	<b>\$1,144,206</b>	<b>\$440,712</b>	<b>\$1,343,192</b>
<b>Total Fiscal Impact</b>	<b>\$2,928,110</b>		

Respectfully submitted,

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