

**Metropolitan Domestic Water Improvement District
Board of Directors Meeting**

June 10, 2019

**Approval of the Purchase and Replacement of Meters for the
Metro Southwest Meter Replacement**

Synopsis

The Board is being requested to approve the meter purchase from National Meter & Automation for the Metro Southwest iPerl Meter Replacement and award the replacement work to Metering Services, Inc. The meter purchase would be done utilizing the City of Tucson cooperative purchasing contract previously authorized by the Board. The replacement work would be through the City of Tempe Water Meter Exchange Out and Repair Services cooperative contract.

Background

The Metro Southwest Service area currently has approximately 1,760 iPerl water meters that were installed in 2012 servicing District customers. The iPerl meter uses a magnetic technology to measure the water flowing through the meter and records the flow through an electronic register. The meter is 100 percent electronic with no moving parts. The meters were originally installed due to the ability to record low flows that were not possible with a mechanical meter. The District has experienced a high failure rate on the iPerl meters. The failed meters have been shown to record reverse flow when no water is running, as well as failures in the electronics showing no read. Both of these failure scenarios prevent the proper recording of the water consumption, reduce collected revenue, and impacts the public trust. Staff does not have confidence in the long term operation of the iPerl meter and is recommending full replacement of all iPerl meters in the Metro Southwest service area.

Issues

The Fiscal Year 2020 adopted budget includes \$247,520 for the replacement of the Southwest service area meters. The dollar amount in this capital request was derived by the cost of the meters plus the costs for the labor to do the replacement. Staff planned to utilize two separate cooperative purchasing contracts for this project.

The meters would be purchased through the use of the City of Tucson Residential and Commercial Water Meters contract #130738-03 with National Meter & Automation that was previously approved for use by the Board in March 2019 for line items within the District's operating budget. Since this project is part of the capital equipment budget, staff is requesting an additional approval to use the City of Tucson cooperative purchasing contract with National Meter & Automation. The purchase cost of meters based on the City contract and taxes is projected to be \$179,000.00. The

actual number of meters to be replaced may vary up or down depending on any failures that occur prior to the meter replacements as well as potential variances in the District's database.

District staff looked at the City of Tucson cooperative contract for meter replacement as well as the Tempe Water Meter Exchange Out and Repair Services contract. After evaluating the two contracts, staff determined that the Tempe contract with Metering Services Inc. (MSI) is more beneficial in price and services. MSI's price for this project will be \$33.00 per meter that includes the replacement work, GPS location, photo of the old meter read, and electronic data upload to our billing system. Using the anticipated quantity of meters to be replaced, the cost would be \$58,080.00. With the potential for differing quantities and changing field conditions, staff is recommending an amount of \$60,000 for the work. The approval of the Strategic Alliance for Volume Expenditures (SAVE) Cooperative Purchasing Agreement, allows the District to utilize the Tempe contract.

Staff Recommendation

Staff is recommending that the Board approve the meter purchase from National Meter & Automation for the Metro Southwest iPerl Meter Replacement utilizing the City of Tucson Residential and Commercial Water Meters cooperative purchasing contract and award the replacement work to Metering Services, Inc. utilizing the City of Tempe Water Meter Exchange Out and Repair Services cooperative purchasing contract with a total project cost not to exceed the budgeted amount of \$247,520.

Suggested Motion

I move to approve the meter purchase from National Meter & Automation for the Metro Southwest iPerl Meter Replacement utilizing the City of Tucson Residential and Commercial Water Meters cooperative purchasing contract and award the replacement work to Metering Services, Inc. utilizing the City of Tempe Water Meter Exchange Out and Repair Services cooperative purchasing contract, with a total project cost not to exceed the budgeted amount of \$247,520.

Respectfully submitted,

Steven D. Shepard
Utility Superintendent

I concur with the above-noted recommendation.
Respectfully submitted,

Joseph Olsen, P.E.
General Manager