

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

July 10, 2023

Approval of Sole Source Procurement for Badger Meters

Synopsis

The Board is being requested to approve a Sole Source Procurement for Badger water meters from Ferguson Waterworks for use in the District service areas.

Background

The District started using the Badger positive displacement meter for residential use in the mid-1990's. Around 2010, the District went to an electronic meter due to theoretical higher accuracy and to be compatible with the fixed network in the outlying service areas. Due to the high failure rate of the electronic meters and a higher customer confidence level in the positive displacement meters, the District replaced all of the electronic meters with positive displacement meters. The replacement positive displacement meters were from another manufacturer not related to Badger or the electronic meter manufacturer. After two and a half years of using the new vendor for positive displacement meters, the District had many issues with the new meters failing to provide the correct read to the endpoint utilized for fixed network. Although the meter itself was still accurate on the meter dial, the read it reported to the endpoint was incorrect causing a number of issues with customer billing and requiring these meters to be put on manual reading, costing District staff additional time. Other issues with this meter included numerous failures of the meter bottom causing leaks. At this time, the District stopped using this meter and went back to using the Badger meter through other co-operative procurement contracts. The Badger meter continues to perform well and utilizes a straight read encoder to provide matching reads between the meter register and the endpoint.

With the history outlined above and knowing water meters are an essential component for a water utility to ensure the accurate recording of water delivered to customers, staff is recommending that the District standardize the residential and small commercial meters with the Badger meter due to its proven history with the District.

Issues

There are a few primary issues related to the procurement of Badger meters. Currently, there are no active co-operative procurement contracts in Arizona that the District can use to purchase Badger meters. The second issue is that Badger has returned to a distributor model and has designated Ferguson Waterworks as the sole distributor for Badger meters. The initial pricing

provided by Ferguson Waterworks for the Badger meter was in staff's opinion very high. Staff reached out to Ferguson Waterworks to see if they would work with Badger to provide a more reasonable price on meters in light of the number of meters the District will be procuring for the Metro Main Fixed Network Upgrade. Ferguson was able to provide new pricing that was approximately \$30.00 less per meter for a 5/8" x 3/4" meter, \$38.00 less on 3/4", \$52.00 less on 1", \$83.00 less on 1 1/2", and \$117.00 less on 2". These prices are valid through May 2024.

The Metro Main Fixed Network upgrade will require the replacement of nearly 12,000 meters with capital investment of over two million dollars just for meters. Due to the significant amount of funds required, staff is recommending that the District use the Badger meter with its proven history with the District.

The District has been pre-awarded a grant from the Bureau of Reclamation for the District's Metro Main Fixed Network upgrade. One of the provisions of the grant includes the Buy American Act, which requires that components used in the project meet the 55% of the costs to produce are manufactured in the United States. Badger's 5/8", 3/4", and the 1" meters do not meet this requirement. The 1 1/2" and 2" meters do meet the requirements of the Buy American Act. The Buy American Act does allow for waivers that can be approved by the Department overseeing the grant. Previous grants for meters have received waiver approvals. Staff intends to apply for a waiver the use of the Badger meter.

Staff Recommendation

It is staff's recommendation that the Board approve to standardize on the Badger positive displacement water meter for residential and light commercial applications and approve the Sole Source Procurement of Badger water meters with Ferguson Waterworks.

Suggested Motion

I move to approve standardizing on the Badger positive displacement water meter for residential and light commercial applications and approve the Sole Source Procurement of Badger water meters with Ferguson Waterworks.

Respectfully submitted,

Steven D. Shepard
Utility Superintendent

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

Joseph Olsen, P.E.
General Manager