

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

October 16, 2013

Approval and Award for Hub Fixed Network Meter Installations

Synopsis

The Board of Directors is being requested to approve the use of the City of Tucson Job Order Contract for Water Meter Replacement Program with KE&G Construction Inc. in the installation of the water meters for the Hub Fixed Network.

Background

The Board has approved the installation of a Fixed Network Meter Reading System for the Hub Service Area utilizing the remaining 2007 WIFA Loan. The purchase of the water meters, endpoints, antennas, collectors, and repeaters have already been purchased. All these items are anticipated to be on hand by the middle of October. The remaining tasks are the labor to install of the collector, one repeater and the water meters. The collector and repeater will be installed by one of the District's electrical contractors under the Electrical Services Job Order Contract. The cost of this electrical work is anticipated to be less than \$5,000 and target for scheduling is the week of October 21st. Pending Board approval of the water meter installations, the work can begin within a couple of weeks of approval.

Issues

The City of Tucson has a Job Order Contract 100335-01 'For Water Meter Replacement Program' with KE&G that is available with the Cooperative Purchasing Program language that the District can utilize for the installation of the water meters and endpoints. The Town of Oro Valley recently utilized the same contract for the replacement of approximately 2,500 meters. Based on discussions with Oro Valley, they were very satisfied with the work performed by KE&G in both quality and timeliness. Utilizing this existing contract under the Cooperative Purchasing Program, that has already undergone the public bidding process, reduces the time and evaluation of the District soliciting its own bids.

As a Job Order Contract, the scope of work can be altered to fit the project. District staff has amended the scope of work to meet the needs of the District's requirements for the Hub Fixed Network meter installations. The amended scope of work (attached with KE&G pricing) adds specific installation requirements such as drilling the appropriate hole in the meter box lid to accommodate the endpoint the District uses, as well as customer notification requirements, flushing requirements, and chlorine residual measurement. Due to the additional requirements

imposed by the District the cost of per meter installation is higher than the bid proposed to the City of Tucson; however, the additional work requirements are deemed important and reflect the practices of the District for this type of work. It should be noted that the costs can be reduced if the Board desires to reduce the additional work requirements but the additional work would then have to be done by District staff. A copy of the City of Tucson prices is attached for your comparison. Effectively it is a \$9.00 difference per meter for a 5/8" and 3/4" meters. The District cost is \$51.00 per meter as opposed to the City of Tucson cost of \$42.00. There is a \$10 difference for the 1" meter installations. District cost for 1" is \$56.00 per meter and the City of Tucson cost is \$46.00 per meter. There are 1,147 5/8" and 3/4" meters for a total cost of \$58,497. There are 24 1" meters for a total cost of \$1,344. The combined total for the meter installations is \$59,841.00.

There are additional line item pricing for meter box replacement, GPS data collection, and labor rates for additional work the District requests such as valve replacements etc. The additional work needed is currently unknown until the project begins and the issues are encountered. The District would then have the option to have the contractor do the work or it could do the work in-house. To have the GPS coordinates of all the meters for use in the GIS would be \$2,935. The alternative is the assign District staff to collect the GPS coordinates at a later date.

The City of Tucson Contract was signed in October 2010 as a 4 year contract subject to annual renewals. This October would be the start of the 4th year pending the City of Tucson approval. Currently KE&G and the City of Tucson are working on the contract extension; however, at the time of this Board report, it has not been completed. There is the remote possibility that the contract will not be extended. The final outcome is anticipated to be complete by the time of the District's Board Meeting in October.

A copy of the City of Tucson Job Order Contract for 'Water Meter Replacement Program' is available in the Board Office for review.

Staff Recommendation

It is recommended that the Board of Directors approve the use of the City of Tucson Contract for the installation of the meters for the Hub Fixed Network as amended by the District pending the extension of the contract by the City of Tucson with KE&G Construction, Inc. The amount of the work as amended by the District would be \$62,776. Additional minor costs may be incurred for any unforeseen repairs that are encountered when installing a meter. The funding for this project is through the remaining 2007 WIFA Loan and does not impact the current budget.

Suggested Motion

I move to approve the use of the City of Tucson Contract for the installation of the meters for the Hub Fixed Network as amended by the District pending the extension of the contract by the City of Tucson with KE&G Construction, Inc.

Respectfully submitted,

Steven D. Shepard,
Utility Superintendent

I concur with the above-noted recommendation.

Respectfully submitted,

Mark R. Stratton, P.E.
General Manager