

CITY OF MARYSVILLE AGENDA BILL

EXECUTIVE SUMMARY FOR ACTION

CITY COUNCIL MEETING DATE: 10/27/2014

AGENDA ITEM: Purchase of hybrid automated meter infrastructure (AMI) system	
PREPARED BY: Karen Latimer, Operations Manager DEPARTMENT: Public Works	DIRECTOR APPROVAL:
ATTACHMENTS: 1. Certified Proposal Tabulation 2. Purchase Contract	
BUDGET CODE: 40220594.563000 W1402	AMOUNT: \$425,228.48

SUMMARY:

In December 31, 2013 the city assumed ownership of a portion of the PUD water system in the Sunnyside annexation area and began providing water service to about 2,000 water customers. Existing water meters purchased as part of the water system do not meet current City standards and need to be upgraded. The meter bodies can remain in place, but the meter registers need to be replaced to read in gallons rather than cubic feet and be equipped with AMI equipment.

RCW 39.04.270 gives municipalities separate acquisition authority for electronic data processing and telecommunications equipment. A municipality may acquire electronic data processing or telecommunication equipment, software, or services through competitive negotiation rather than through competitive bidding. Because the AMI equipment and system is comprised of software and data processing and telecommunications equipment the City of Marysville has elected to use the competitive negotiation process to procure a hybrid AMI system.

Selection criteria were established for procurement of the hybrid AMI system.

1. Qualifications of the vendor. (20 pts maximum)
2. Past experience of the vendor. (20 pts maximum)
3. Initial project cost and recurring licensing cost. (20 pts maximum)
4. Local customer support for equipment, route management software, and interface with current utility billing/CIS system. (20 pts maximum)
5. Ability to create user defined custom reports. (20 pts maximum)

An invitation to submit proposals was published in the Marysville Globe and Daily Journal of Commerce on May 20th and 27th with proposals due on June 3rd at 4:00 pm. A selection committee evaluated the proposals and identified the qualified bidder whose proposal is most advantageous to the city considering pricing and other identified evaluation factors. The selected vendor received the highest average score for the five criteria listed above. In addition, the selected vendor was the only vendor that submitted a proposal that fully met the technical specifications described in the request for proposals document.

RECOMMENDED ACTION: Staff recommends City Council award the contract for a Hybrid Automated Meter Infrastructure System to HD Supply Waterworks, Ltd. and authorize the Mayor to execute the contract in the amount of \$425,228.48 including State of Washington sales tax.



**Hybrid Automated Meter Infrastructure System
Certified Proposal Rating Tabulation**

RATING CRITERIA			Badger Meter		General Pacific, Inc. (Badger Meter)		Ferguson Waterworks (Sensus FlexNet)		HD Supply Waterworks (NeptuneTechnology Group)	
Item	Description	Maximum Score	Rater Scores	Average Score	Rater Scores	Average Score	Rater Scores	Average Score	Rater Scores	Average Score
1	Qualifications of the Vendor	20 points	Received a letter stating the vendor would be submitting for Badger Meter.		9 11 12 15 9	11	10 13 10 15 8	11	15 17 14 20 15	16
2	Past experience of the Vendor	20 points		12 12 14 15 12	13	14 15 19 17 14	16	17 16 11 17 18	16	
3	Initial project cost and recurring licensing cost	20 points		12 10 16 10 14	12	10 14 8 10 14	11	14 18 13 18 16	16	
4	Local customer support for equipment, route management software, and interface with current utility billing/CIS system	20 points		12 8 9 10 10	10	14 15 19 17 12	15	17 20 12 17 20	17	
5	Ability to create user defined custom reports	20 points		10 12 15 15 8	12	5 12 2 10 8	7	12 14 18 18 16	16	
TOTAL MAXIMUM POINTS		100	Total Score	0	Total Score	58	Total Score	61	Total Score	81

Certified by Karen Latimer, Operations Manager

PROPOSED EQUIPMENT				Badger Meter		General Pacific, Inc. (Badger Meter)		Ferguson Waterworks (Sensus FlexNet)		HD Supply Waterworks (NeptuneTechnology Group)	
Item	Description	Quantity	Units	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
1	AMI Software	1	EA			\$4,000.00	\$4,000.00	\$1,875.00	\$1,875.00	\$4,000.00	\$4,000.00
2	Mobile Data Collector	1	EA				\$0.00	\$15,000.00	\$15,000.00	\$7,500.00	\$7,500.00
3	Handheld Unit/Software	1	EA			\$3,960.50	\$3,960.50	\$2,812.50	\$2,812.50	\$2,250.00	\$2,250.00
4	Communication/Charging Equipment	1	EA				\$0.00	\$312.50	\$312.50	\$375.00	\$375.00
5	Receiver	1	EA				\$0.00			\$1,950.00	\$1,950.00
6	Data Logging Activation Light	1	EA				\$0.00			\$110.00	\$110.00
7	Water Meter	2000	EA				\$0.00	\$67.00	\$134,000.00		
8	Meter Register ⁽¹⁾	2000	EA			\$65.00	\$130,000.00				\$0.00
9	Meter Transmission Unit	2000	EA			\$129.00	\$258,000.00	\$118.00	\$236,000.00		\$0.00
10	Integrated Meter Register/Transmission Unit	2000	EA				\$0.00			\$165.00	\$330,000.00
11	External Antennas	2000	EA				\$0.00			\$19.95	\$39,900.00
12	Installation and Training	1	EA			\$1,500.00	\$1,500.00	\$3,600.00	\$3,600.00	\$1,500.00	\$1,500.00
13	Additional User Software Licenses	10	EA				\$0.00			\$325.00	\$3,250.00
	Washington State Sales Tax 8.8%						\$34,976.52		\$34,636.80		\$34,393.48
					\$0.00		\$432,437.02		\$428,236.80		\$425,228.48

(1) - General Pacific, Inc. did not include meter registers in their proposal. Their submittal indicated a meter register could be purchased directly from Neptune Technology Group for about \$65-\$95 each.

**CONTRACT FOR PURCHASE OF HYBRID AUTOMATED METER
INFRASTRUCTURE (AMI) SYSTEM**

THIS AGREEMENT is made this _____ day of _____, 2014 between the CITY OF MARYSVILLE, a municipal corporation ("City"), and HD SUPPLY WATERWORKS, LTD, a limited partnership ("Vendor").

Whereas, On December 31, 2013 the city assumed ownership of a portion of the PUD water system in the Sunnyside annexation area and began providing water service to approximately 2,000 water customers, and

Whereas, existing water meters purchased as part of the water system do not meet current City standards and need to be upgraded, and

Whereas, the meter bodies can remain in place, but the meter registers need to be replaced to read in gallons rather than cubic feet and be equipped with AMI equipment adaptable to walk-by, mobile or full fixed network methods of collecting and communicating meter reading data, and

Whereas, RCW 39.04.270 provides municipalities acquisition authority for electronic data processing and telecommunications equipment, and provides that a municipality may acquire electronic data processing or telecommunication equipment, software, or services through competitive negotiation rather than through competitive bidding, and

Whereas, the AMI equipment and system is comprised of software and data processing and telecommunications equipment, and it is in the best interests of the city to use the competitive negotiation process to procure a hybrid AMI system, and

Whereas, on May 20, 2014, and May 27, 2014, the city published a Request for Proposals to supply the required equipment, software and training, and

Whereas, HD Supply Waterworks submitted its proposal dated May 27, 2014, and

Whereas, the city received and evaluated proposals from four vendors, using a scoring system weighted for various factors, including qualifications of the vendor, past experience of

the vendor, local customer support for equipment, route management software, and interface with current utility billing/CIS system, and Initial project cost and recurring licensing cost, and

Whereas, based on its evaluation process, the city finds the proposal of HD Supply Waterworks to be the proposal most advantageous to the city with price and other factors considered, as authorized by RCW 39.34.270, now, therefore,

In consideration of the terms and conditions contained herein and attached and made a part of this Contract, the parties hereto covenant and agree as follows:

1) The Vendor shall provide a hybrid AMI system for the City's Public Works Department as specifically described in Section II of the Request for Proposals Document, in accordance with and as described in the attached Request for Proposals Document Sections III, IV and Appendix A listed below, and shall provide additions to the procurement order as provided under this Contract and every part thereof.

The following Request for Proposals Documents are attached to this Contract and are hereby incorporated herein by this reference:

- A. Request for Proposals Advertisement
- B. Request for Proposals Document
- C. Technical Specifications (Section III and Appendix A)
- D. Proposal Submittal – Submitted by the Vendor as to those items and/or alternatives accepted by the City (Confirmed copy dated June 3, 2014)

2) **PURCHASE COST.** This Contract is based on unit rate purchase as bid in the Proposal Submittal. The total purchase price for the hybrid AMI system will not exceed four hundred twenty-five thousand two hundred twenty-eight dollars and forty-eight cents (\$425,228.48) including Washington State sales tax. The total cost includes all costs associated with procurement of a hybrid AMI system, including, but not limited to, labor, materials, equipment, overhead, profit, administrative and regulatory costs, transportation, installation of hardware and software but excluding installation of the R900i meter registers and external antennas, which shall be performed by city personnel, configuration and training unless otherwise agreed in writing.

3) **CITY AGREEMENT.** The City contracts with Vendor to provide a hybrid AMI system as described in the Request for Proposals Document and to furnish, install and configure the hybrid AMI system according to Owner requirements and the terms and conditions herein contained, and contracts to pay the total cost for the hybrid AMI system at the purchase cost rate at the time and in the manner and upon the conditions provided for in this Contract.

4) **VENDOR AGREEMENT.** The Vendor hereby agrees to fully perform the work to supply, install (excluding R900i meter registers and external antennas), and configure the items according to the terms and conditions of this Contract.

5) **VENDOR RESPONSIBILITIES.** The Vendor shall provide and bear the expense of all equipment, work and labor that may be required for the installation, configuration and training of the hybrid AMI system provided for in this Contract, unless otherwise provided in the specifications and shall guarantee in accordance with the Contract documents. The Vendor shall be responsible for the installation, configuration and training of the hybrid AMI system in accordance with all applicable laws and regulations, including, but not limited to, all applicable environmental statutes and regulations.

6) **GENERAL PROVISIONS.**

A. Time frame for Completion.

- a. The R900i meter registers and external antennas must be delivered to and accepted by the City of Marysville no later than December 31, 2014.
- b. The remaining order of hybrid AMI system equipment, hardware and software must be delivered and accepted by the City of Marysville no later than January 31, 2015.
- c. The complete order of hybrid AMI system equipment (excluding R900i meter registers and external antennas), hardware and software must be installed and configured no later than January 31, 2015.
- d. The complete hybrid AMI system must be fully operational by mobile drive-by technology no later than February 28, 2015.

7) **SPECIAL PROVISIONS**

- A. Licenses and Permits. The Vendor must have a current City of Marysville Business License before Notice to Proceed can be issued. The Vendor also represents that he is a licensed, bonded and insured Vendor to the extent required by the State of Washington.
- B. Standards. Fabrication, assembly, delivery, installation and configuration shall be performed in accordance with accepted industry practice in a safe manner, and shall meet all requirements of applicable codes.
- C. Change Orders. Any change orders shall be made in the form of a written request, submitted by the Vendor to the City for review. The City will then make a written determination to approve or reject said change order prior to any action by the Vendor.

8) **NON-DISCRIMINATION AND COMPLIANCE WITH EQUAL OPPORTUNITY LAWS.** The Vendor agrees to comply with equal opportunity employment laws and not to discriminate against clients, employees, or applicants for employment or for services because of race, creed, color, religion, national origin, marital status, sex, age or handicap except for a bona fide occupational qualification with regard, but not limited to, the following: employment upgrading; demotion or transfer; recruitment or any recruitment advertising; layoff or terminations; rates of pay or other forms of compensation; selection for

training; and rendition of services. The Vendor further agrees to maintain (as appropriate) notices, posted in conspicuous places, setting forth the provisions of this nondiscrimination clause. The Vendor understands and agrees that if it violates this nondiscrimination provision, this Contract may be terminated by the City and the Vendor may be barred from performing any services for the City now or in the future, unless a showing is made satisfactory to the City that discriminatory practices have been terminated and that recurrence of such action is unlikely.

9) **ATTORNEY FEES.** Should either the City or the Vendor commence any legal action relating to the provisions of this Contract, or the enforcement thereof, the prevailing party shall be awarded judgment for all costs of litigation including, but not limited to, costs, expert witnesses and reasonable attorney fees.

10) **INSURANCE**

The Vendor shall procure and maintain for the duration of the Contract, insurance against claims for injuries to persons or damage to property which may arise from or in connection with products and materials supplied to the City and the performance of the work hereunder by the Vendor, their agents, representatives, employees or subcontractors.

No Limitation

Vendor's maintenance of insurance as required by the Contract shall not be construed to limit the liability of the Vendor to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

Minimum Scope of Insurance

Vendor shall obtain insurance of the types described below:

Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover products liability and liability arising from premises, operations, independent contractors, products-completed operations, stop gap liability, personal injury and advertising injury, and liability assumed under an insured contract. There shall be no endorsement or modification of the Commercial General Liability Insurance for liability arising from explosion, collapse or underground property damage. The City shall be named as an insured under the Vendor's Commercial General Liability insurance policy with respect to the work performed for the City using ISO Additional Insured endorsement CG 20 10 10 01, ISO Additional Insured-Vendors Endorsement CG 20 15, and Additional Insured-Completed Operations endorsement CG 20 37 10 01 or substitute endorsements providing equivalent coverage.

Worker's Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

Minimum Amounts of Insurance

Contractor shall maintain the following insurance limits:

Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.

Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate, \$2,000,000 products-completed operations aggregate, and \$2,000,000 products liability aggregate limit.

Other Insurance Provision

The Vendor's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Vendor's insurance and shall not contribute with it.

The Contractor is responsible for all materials and equipment used and installed in the scope of this project until the project is complete and accepted by the City.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A: VII.

Verification of Coverage

Vendor shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Contractor before goods, materials or supplies will be accepted by the City and before commencement of the work.

Subcontractors

The Vendor shall have sole responsibility for determining the insurance coverage and limits required, if any, to be obtained by subcontractors, which determination shall be made in accordance with reasonable and prudent business practices.

Notice of Cancellation

The Vendor shall provide the City and all Additional Insureds for this work with written notice of any policy cancellation, within two business days of their receipt of such notice.

Failure to Maintain Insurance

Failure on the part of the Vendor to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five business days notice to the Vendor to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Vendor from the City.

11) **INDEMNIFICATION.** The Vendor shall defend, indemnify and save the City and its elected officials, officers and employees harmless from any and all claim and risk and all losses, damages, demands, suits, judgments, and attorney fees or other expenses of any kind on account of injury to or death of any and all persons, on or account of all property damage of any kind, or loss of use resulting therefrom, or breach or infringement of any property right, to any party arising out of, or in any manner connected with, the performance of this contract, or caused in whole or in part by reason of the presence of the Vendor or its employees or agents, upon or in proximity to the property of the City during performance of the assembly and delivery of the items before acceptance by the City, except only for those losses resulting from and to the extent of the negligence of the City or

third parties not acting under the control of Vendor with regard to activities within the Vendor's scope of work.

Should a court of competent jurisdiction determine that this Contract is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Vendor and the City, its officers, officials, employees, and volunteers, the Vendor's liability hereunder shall be only to the extent of the Vendor's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Vendor's waiver of immunity under Industrial Insurance, Title 51, RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Contract.

12) **WARRANTY.** Notwithstanding anything contained herein to the contrary, the manufacturer's warranty only shall apply to all materials purchased by the City hereunder. The City acknowledges that Vendor is a distributor of materials only, and therefore offers no additional warranties. Vendor specifically disclaims all other warranties, whether express or implied, including the implied warranties of merchantability and fitness for a particular purpose. In no event shall Vendor be liable for any indirect, incidental, special, exemplary or consequential damages of any kind.

13) **APPLICABLE LAW AND VENUE.** This Contract shall be governed by, and construed in accordance with, the applicable laws of the State of Washington. Any legal proceedings to determine the rights and obligations of the parties hereunder shall be brought and heard in Snohomish County Superior Court.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

CITY OF MARYSVILLE

By _____
Jon Nehring, Mayor

Attest:

By _____
April O'Brien, Deputy City Clerk

Approved as to form:

By _____
Grant K. Weed, City Attorney

HD SUPPLY WATERWORKS, LTD.

By _____
Ed Allred

Its _____
Vice President, West Region

1297 East Fawn Point Ct

Draper, Utah 84020

813-334-8831