



AGENDA ITEM NO. 1 M

COUNCIL MEETING: 4/23/2009

APPROVED BY

DEPARTMENT DIRECTOR

CITY MANAGER

April 23, 2009

FROM: RENE A. RAMIREZ, Director *RAM*
Department of Public Utilities - Administration

BY: LON MARTIN, Assistant Director *L.M. FOR L.M.*
Department of Public Utilities - Water Division

SUBJECT: REJECT LOW BID AS NON-RESPONSIVE AND AWARD A REQUIREMENTS CONTRACT IN THE AMOUNT OF \$150,659.68 TO METRON FARNIER LLC FOR SINGLE JET WATER METERS, AND AUTHORIZE THE DIRECTOR OF PUBLIC UTILITIES TO EXECUTE A ONE-YEAR CONTRACT WITH PROVISIONS FOR TWO ONE-YEAR EXTENSIONS.
(BID FILE 9038)

KEY RESULT AREA:

Financial Management

RECOMMENDATIONS

Staff recommends that City Council:

- 1) Declare Ferguson Enterprises, Inc. non-responsive to the specifications, reject their bid proposal, and
- 2) Authorize the Director of Public Utilities to execute a one-year requirements contract with provisions for two one-year extensions to Metron Farnier LLC of Boulder, Colorado in the amount of \$150,659.68 to provide 3" – 8" single jet water meters.

EXECUTIVE SUMMARY

The Department of Public Utilities, Water Division is seeking to establish a requirements contract for single jet water meters.

Ferguson Enterprises, Inc. submitted a bid for mag type meters as opposed to single jet as specified in the Notice Inviting Bids, and therefore was determined to be a non-responsive bidder. Staff recommends award of a one-year requirements contract with provisions for two one-year extensions to Metron Farnier LLC of Boulder, Colorado in the amount of \$150,659.68. Funding for this contract is included in the FY 09 budget.

KEY OBJECTIVE BALANCE

This contract, which provides for the purchase of 3" to 8" single jet water meters, supports the three focus areas comprising Key Result Areas for the City of Fresno: Customer Satisfaction, Employee Satisfaction, and Financial Management. Customers can be confident of receiving statements, which accurately reflect their usage. The maintenance-free meters enhance employee productivity, while the improved accuracy of the meters will result in increased revenues to the City.

BACKGROUND

The Department of Public Utilities, Water Division, considers the single jet water meter a particularly effective meter for the City of Fresno water supply. It is unaffected by sand or small debris, extremely accurate at both low and high-end flows, and does not require maintenance. Over time, meters wear down, which reduces the accuracy of the amount of the water measured, thereby reducing revenue collected. Since 2002, the Water Division has replaced over four hundred outdated compound meters that required intensive maintenance. The result has been a 30% increase in revenue.

A Notice Inviting Bids was published in the Business Journal on January 7, 2009, and posted on the City's web site. The specifications were distributed to fourteen prospective bidders. Two sealed bid proposals were received and opened in a public bid opening on January 29, 2009. The bid proposal prices were \$145,155.11 and \$150,659.68.

Ferguson Enterprises, Inc. of Sacramento, California submitted the lowest bid price of \$145,155.11. However, Ferguson's bid was tentatively determined to be non-responsive to the specifications for the following reason:

The Specifications stated that this project would be a single award contract, that award would be made to the lowest responsive and responsible bidder subject to the City's right to reject any and all bids, that the lowest responsive and responsible bidder will be determined based upon the Total Net bid Amount, and that Bidders must bid single jet meters in order to be considered responsive.

Ferguson Enterprises, Inc. submitted a bid for mag type meters only. Therefore, Ferguson Enterprises, Inc. was tentatively determined to be a non-responsive bidder.

In accordance with procedures, Ferguson Enterprises, Inc. was notified of this determination and given the opportunity to appeal pursuant to Council Resolution 2003-129. No appeal was received.

Therefore, staff recommends that a one-year requirements contract with provisions for two one-year extensions be awarded to Metron Farnier LLC of Boulder, Colorado in the amount of \$150,659.68 as the lowest responsive and responsible bidder. Pricing for this contract is 0% higher than the previous requirements contract, which was held by Metron Farnier since 2005.

Council may:

- 1) Declare Ferguson Enterprises, Inc. non-responsive to the specifications, reject their bid proposal and,
- 2) Award a one year requirements contract with provisions for two one-year extensions to Metron Farnier LLC of Boulder, Colorado in the amount of \$150,659.68 to provide single jet water meters.

Or, the Council may reject all bids. If all bids are rejected, the project will be rebid resulting in a delay of approximately sixty (60) days.

FISCAL IMPACT

See attached Fiscal Impact Statement.

Attachments:
-Evaluation of Bid Proposal

EVALUATION OF BID PROPOSALS

FOR: REQUIREMENTS CONTRACT FOR SINGLE JET WATER METERS

Bid File No. 9038

Bid Opening: January 29, 2009

BIDDERS	TOTAL NET BID AMOUNT
1. Ferguson Enterprises, Inc. 8732 Fruitridge Road Sacramento, CA 95286	\$145,155.11 (non-responsive)
2. Metron Farnier 5665 Airport Blvd Boulder, CO 80301	\$150,659.68

Each bidder has agreed to allow the City ninety (90) days from date bids are opened to accept or reject their bid proposal. Purchasing requests that you complete the following sections and return this bid evaluation to the Purchasing Division at the latest by Wednesday, February 25, 2009, 5:00 P.M.

The current contract pricing is 0 % above/below the previous contract pricing. If the overage is greater than 10% or only one bid was received, give explanation:

The pricing for the responsive bidder is the exact same amount as the last bid July of 2005.

The low bid from Ferguson Enterprises, Inc. is non-responsive.

The meter sizes 6" and 8" are not single-jet meters and are not approved fire service meters.

It is recommended that the contract be awarded to the next responsive bidder, Metron Farnier in the amount of \$ 150,659.68.

BACKGROUND OF PROJECT (To be completed by Evaluating Department/Division. Explain need for project/equipment):

The single jet meter is the large meter 3"-8" the Water Division uses for all commercial, industrial, multi-residential and irrigation applications. The meter is installed for both new connections and for replacements of old meters. Old meters are not accurate and under register the water being used. The Water Division has replaced about 400 old underperforming meters and still has 500 left to do. Because of the 400 change-outs, the unaccounted for water now is registered and revenue has increased.

EVALUATION OF BID
PROPOSALS

FOR: REQUIREMENTS CONTRACT FOR SINGLE JET WATER METERS

Bid File No. 9038
Bid Opening: January 29, 2009

DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

Award a contract in the amount of \$ 150,659.68
to Metron Farnier
as the lowest responsive and responsible bidder.

Remarks:

Reject all bids. Reason:

Department Head Approval

[Signature]
Title Director
Date 3/12/09

- Approve Dept. Recommendation Approve GSD/Purchasing Recommendation
 Disapprove Disapprove
 See Attachment

GENERAL SERVICES DEPARTMENT

CITY MANAGER

[Signature] 3/13/2009
Purchasing Manager Date

[Signature] 3/18/09
City Manager or Designee Date

[Signature] 3/13/2009
Director Date