



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org

Legislative File No: 2020-0564 Version 2

TO: Mayor and City Council Members

FROM: Allan E. Schneck, P.E., Director of Public Services

DATE: July 26, 2021

SUBJECT: Increase to Blanket Purchase Order for Water Meters and Equipment

REQUEST:

City Council is requested to authorize an increase to the blanket purchase order for water meters and equipment to ETNA Supply Company of Grand Rapids, Michigan in the amount of \$595,000.00 for a new not-to-exceed amount of \$890,000.00 and extend the cancel date through December 31, 2022.

REASON FOR PURCHASE:

At their January 11, 2021 meeting, City Council authorized a blanket purchase order for the purchase of City water meters and radio read equipment. Since this time, the supply chain and delivery of the meters & radio read equipment has been adversely affected by part & material shortages, thus the City is experiencing lead times of 7-8 months to receive meters as well as radio read equipment after orders have been placed. To strategize as well as combat this issue and ensure the City has an adequate inventory of water meters and radio read equipment needed to provide efficient & essential services, the Department of Public Services (DPS) is requesting an increase to the blanket, as well as an extension of the contract terms to address the long lead times. Furthermore, the DPS has also implemented a MXU change out program to address aging equipment, keep meter reading operations reliable and stay current with industry technology. ETNA Supply Company is the single source supplier of the City's selected SENSUS water meters and the only vendor these meters can be purchased from.

PROCESS:

Vendor Name and Address:

ETNA Supply Company
529 32nd Street S.E.
Grand Rapids, MI 49548

Reason for Selection:

Single Source

Method of Purchase:

Blanket Purchase Order

BUDGET:

Funding is included in the FY 2021 Adopted Budget and the FY 2022 Projected Budget.

If approved by City Council, a 3rd quarter budget amendment will be forthcoming for \$150,000 split between Water (530) and Sewer (510) for the MXU Meter Change out Program.

Fund Name	Department Account No	Account No. Description	2-year Budget Amount	2-year Cost	Remaining Budget
Water	530.740005	Operating Supplies: Meters	\$375,000	\$450,000	(\$75,000)
Sewer	510.740005	Operating Supplies: Meters	\$365,000	\$440,000	(\$75,000)
		Total	\$740,000	\$890,000	(\$150,000)

RECOMMENDATION:

It is recommended that City Council authorize an increase to the blanket purchase order for water meters and equipment to ETNA Supply Company of Grand Rapids, Michigan in the amount of \$595,000.00 for a new not-to-exceed amount of \$890,000.00 and extend the cancel date through December 31, 2022.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		

Contract Reviewed by City Attorney Yes N/A