



**City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS**

**1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
[www.rochesterhills.org](http://www.rochesterhills.org)**

---

**Legislative File No: 2005-0235 Version 5**

**TO:** Mayor and City Council Members  
**FROM:** Roger Rousse, Director of Public Service, 841-2497  
**DATE:** September 8, 2008  
**SUBJECT: AMR Radio Read System**  
City File No. E05-002

---

**REQUEST:**

City Council is requested to authorize the increase of a blanket purchase order to Etna Supply Company, Grand Rapids, Michigan for AMR Radio Read System in the amount of \$214,260.00 for a new total of \$2,987,680.00 through June 1, 2010.

**REASON FOR PURCHASE:**

On May 4, 2005 City Council approved a blanket purchase order for the AMR Radio Read System in the amount of \$2,773,420.00 to Etna Supply Company. Since that time, new water services have increased the number of MXU units to be installed into the system by approximately 1,570 units. Once the initial capital project is complete, the AMR Radio Read units will be funded totally through the water and sewer billing customer fees.

The initial AMR Radio Read Project called for 21,334 MXU's to be installed in existing and new construction homes and businesses. Since 2005 there have been approximately 1062 new construction homes and 36 new businesses. Because the project is not yet complete, the additional MXU's to be purchased will be funded through the initial capital project. Along with the additional MXU's, wire connectors, dual port expanders and touchpad fasteners need to be purchased to complete the installations.

The current rate structure for water and sewer include the capital costs for the AMR Radio Read Project in the customer fee. So the additional MXU's to be purchased have a revenue source to offset the expense. Through the 2008 budget year \$2,773,420.00 has been charged through the water and sewer rate customer charge to implement the system, which was the original Etna blanket amount. As part of the 2008-09 water rate setting process, an additional \$195,000.00 is proposed to be charged to complete the implementation, bringing the total amount charged to \$2,968,420.00.

**PROCESS:**

**Vendor Name and Address:**

Etna Supply Company  
529 32<sup>nd</sup> Street, S.E.  
Grand Rapids, MI 49548

**Reason for Selection:**

Etna has a history of superior service, their product provides redundancy, has a low battery warning system, each unit can read up to 16 meters, lower installation costs, 20 year warranty on units and batter (10 year full,

10 year pro-rated), licensed FCC frequency, has the ability to read all existing meter equipment, no shipping costs, loaner equipment availability, preferred transmission type and power level, provides reading segmentation and has migrate able system architecture.

**Method of Purchase:**

Quality Based Selection

**BUDGET:**

A budget amendment was approved in second quarter 2008 to cover the remaining units to be installed as the initial capital project in the amount of \$204,630.00, which brought the total 2008 budget amount to \$623,880.00. A third quarter budget amended is being proposed for another \$9,630.00 for an additional 74 units.

<b>Fund Name</b>	<b>Department Account No</b>	<b>Account No. Description</b>	<b>Budget Amount</b>	<b>Cost</b>	<b>Remaining Budget</b>
Water & Sewer Capital Fund	593.977000	Equipment-Capitalized	\$623,880.00	\$214,260.00 \$419,250.00*	(\$9,630.00)

\* Current purchase order amount.

**RECOMMENDATION:**

It is recommended that City Council authorize an increase to the blanket purchase order to Etna Supply Company, Grand Rapids, Michigan for AMR Radio Read System in the amount of \$214,260.00, for a new not-to-exceed amount of \$2,987,680.00 through June 1, 2010.

<b>APPROVALS:</b>	<b>SIGNATURE</b>	<b>DATE</b>
<b>Department Review</b>		
<b>Department Director</b>		
<b>Budget Content: Finance Director</b>		
<b>Purchasing Process: Supervisor of Procurement</b>		
<b>Mayor</b>		
<b>City Council Liaison</b>		