



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

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

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**Legislative File No:** 2006-0447

**TO:** Mayor and City Council Members  
**FROM:** Roger Rousse, Department of Public Service, 841-2497  
**DATE:** June 14, 2006  
**SUBJECT:** Water Meters and Equipment

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**REQUEST:**

City Council is requested to authorize a Blanket Purchase Order for Water Meters and Equipment to Etna Supply Company of Grand Rapids, Michigan, in the total amount not-to-exceed \$876,145.38.

**REASON FOR PURCHASE:**

Based on new residential/commercial construction, existing residential connections to municipal water and updating meters, the Department of Public Service has evaluated the 2007-2008 requirements for Water Meters and equipment. During 2005, over 1750 residential and commercial water meters were installed. Over the next 2-1/2 years it is estimated that approximately 4,000 residential 5/8" and 1" water meters will be installed at an average cost of \$150 each and approximately 150 commercial water meters 1-1/2" and larger will be installed at a range of \$400.00 - \$2,000.00 per meter. In addition, a meter change out program will take place in order to remove old "D" style meters that are not compatible with the automated meter reading equipment.

Etna Supply Company is the sole distributor for the type of meter employed by the City. While other meters may be available, the electronics are not compatible with our systems.

In 2005 City Council approved the purchase of radio reading equipment from Etna Supply. In conjunction with the radio read project, Etna agreed to hold their prices on water meters until December 31, 2008.

**PROCESS:**

**Vendor Name and Address:**

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

**Reason for Selection:**

Sole Source Supplier

**Method of Purchase:**

Blanket Purchase Order through December 31, 2008

**BUDGET:**

This is a multi-year blanket with \$256,145.38 remaining in the 2006 budget, and \$310,000.00 proposed for in the 2007 budget and \$310,000.00 proposed in the 2008 budget. The City also receives revenue from some of the larger commercial meters, to help offset this expenditure. Expenses for subsequent years will be funded from future budgets (if approved).

2006 Budget Only

<b>Fund Name</b>	<b>Department Account No</b>	<b>Account No. Description</b>	<b>2006 Budget Amount</b>	<b>2006* Cost</b>	<b>2006 Remaining Budget</b>
Water	530.740005	Operating Supplies - Meters	\$150,000.00	\$131,912.61	\$18,087.39
Sewer	510.740005	Operating Supplies - Meters	\$150,000.00	\$124,232.77	\$25,767.23

\*2006 cost represents only months (6 months of the new blanket that will commence on July 1, 2006. The remaining budget amount is for the first six (6) months of 2006 that falls under the current blanket.

**RECOMMENDATION:**

It is recommended that City Council authorize a Blanket Purchase Order for Water Meters and Equipment to Etna Supply Company of Grand Rapids, Michigan, in the total amount not-to-exceed \$876,145.38

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**RESOLUTION**

**NEXT AGENDA ITEM**

**RETURN TO AGENDA**

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<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>		