



CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

AGENDA ITEM

Report: Amendment No. 1 to the City's Existing Three-Year Term Annual Purchasing Contract with Badger Meter, Inc. for the Furnishing of Miscellaneous Water Meters and Water Meter Parts.

1. Resolution dispensing with competitive bidding and authorizing the Deputy Director of Finance - Purchasing, or his designee, to execute Amendment No. 1 to the existing Three-Year Annual Purchasing Contract No. 8001599, with Badger Meter, Inc., to increase the contract amount by \$550,000 for a new total not-to-exceed contract amount of \$700,000, and to extend the term of the contract for an additional three years.

COUNCIL ACTION

Item Type: Action Item

Approved for December 10, 2024 calendar

EXECUTIVE SUMMARY

The intent of this staff report is to request that the City Council dispense with competitive bidding and authorize the Deputy Director of Finance - Purchasing to execute Amendment No. 1 to the existing Three-Year term Annual Purchasing Contract with Badger Meter, Inc., to increase the contract amount by \$550,000 for a new total not-to-exceed contract amount of \$700,000, and to extend the term of the contract for an additional three years.

RECOMMENDATION

Authorize the Deputy Director of Finance - Purchasing to execute Amendment No. 1 to the existing Three-Year term Annual Purchasing Contract with Badger Meter, Inc., to increase the contract amount by \$550,000 for a new total not-to-exceed contract amount of \$700,000, and to extend the term of the contract for an additional three years.

ANALYSIS

Badger Meter, Inc. water meters have been used exclusively by GWP since 2011 due to their superior quality and features. Between 2005 and 2011, GWP installed 35,228 Badger water meters as part of the Grid Modernization Project. The continued exclusive use of Badger water meters allows GWP to maintain consistency and reliability of the existing water distribution system, as well as an ability to continue to adopt the same AMI/MDMS Grid Modernization Standards.

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On June 1, 2022, the City, entered into the current three-year purchasing Contract No. 8001599 for \$150,000 (\$50,000/year) with Badger Meter to supply the GWP Warehouse with new water meters on an “as needed” basis. The contract provided for a \$50,000 per Fiscal Year maximum allowance, through the issuance of Purchase Orders, with a contract expiration date of May 31, 2025. These water meters are used by GWP water construction crews for new customer-paid water service installations, and for replacing old or broken active-service water meters. In the past year, the GWP Water Section has seen a substantial increase in the demand and request for new water service installations, especially in recently constructed multi-family residential complexes where for, as an example, up to 30 water meters might be required to be installed for a single address. Also, many property owners have been constructing Accessory Dwelling Units (ADU) and are requesting an additional water meter installation to individually meter the water use of the ADU structure.

In addition to the increased demand, the selling price of the water meters has also increased due to inflation; thus, resulting in diminished purchasing power. This increased demand for water meters has resulted in a depletion of the \$50,000 annual contract allocation for the current FY much earlier than was expected. As of December 2024, only \$1,449.01 is remaining in the contract. The current contract will expire on May 31, 2025, and additional funds are needed in order to purchase the water meters that will be needed to meet demands.

As part of a separate project, GWP is in the preliminary phase of a comprehensive meter replacement project which is estimated to be completed in 2028. In the interim, extending this current contract with Badger Meter will allow GWP to maintain consistency and reliability of the existing water distribution system, as well as an ability to continue to adopt the same AMI/MDMS Grid Modernization Standards until the completion of the comprehensive meter change-out program in 2028.

The City Council has approved funding for the current fiscal year under Water Distribution O&M. GWP will seek necessary appropriations for future years during the annual budget cycle.

STAKEHOLDERS/OUTREACH

Not applicable.

FISCAL IMPACT

GWP currently has a three-year contract with Badger Meter, Inc. for \$150,000, which ends on May 31, 2025. Staff is requesting an increase to the contract amount by \$550,000 for a new total not-to-exceed contract amount of \$700,000, and to extend the term of the contract for an additional three years.

The City Council approved funding for the current fiscal year for Water Distribution O&M expenditures including water meters is outlined below:

Existing Appropriation		
Amount	Account String	Funding Source
\$550,000	GL: 52100-5950-GWP-0020-P0000 PL: GWP01061AA	Water Customer Paid Capital Fund

ENVIRONMENTAL REVIEW (CEQA/NEPA)

This item is considered a ministerial activity and therefore, not subject to CEQA review.

CAMPAIGN DISCLOSURE

In accordance with the City Campaign Finance Ordinance No. 5744, attached to this Report as Exhibit A, is the disclosure form for Badger Meter, Inc. which contains the names and business addresses of the members of the board of directors, the chairperson, CEO, COO, CFO, and any person or entity with more than 10% interest or more in the company.

ALTERNATIVES TO STAFF RECOMMENDATION

Alternative 1: Choose not to approve the requested action to dispense with competitive bidding and increase the contract amount by \$550,000 for a new total not-to-exceed contract amount of \$700,000, while extending the term of the contract for an additional three years. This will result in a shortage of water meters for FY 2025 that will impact private development projects that require the installation of water services for newly constructed dwelling and office structures.

Alternative 2: Consider any other alternative not proposed by staff.

ADMINISTRATIVE ACTION

Submitted by:

Manuel Robledo, Interim General Manager - Glendale Water and Power

Prepared by:

Chisom Obegolu, P.E., Assistant General Manager - Water

Approved by:

Roubik R. Golanian, P.E., City Manager

EXHIBITS/ATTACHMENTS

Exhibit A: Campaign Finance Disclosure for Badger Meter, Inc.