



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting January 24, 2023

**DATE:** January 24, 2023

**TO:** Peter Zaroni, City Manager

**FROM:** Wesley Nebgen, Director of Water System Infrastructure  
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### **Large Water Flow Meters for CCW**

#### **CAPTION:**

Motion authorizing a two-year supply agreement with Omicron Controls, Inc., of The Woodlands, Texas, in an amount not to exceed \$75,154.40 for the purchase of large water flow meters to be utilized by Corpus Christi Water, with FY 2023 funding of \$37,577.20 from the Water Fund.

#### **SUMMARY:**

This motion authorizes a two-year supply agreement with Omicron Controls for large water meters for Corpus Christi Water. Meters procured under this contract, sized 10" – 24", are for new commercial and industrial customers, for replacement of existing meters that are nearing the end of their useful life and to replace meters that are not compatible with the City's advanced metering infrastructure (AMI).

#### **BACKGROUND AND FINDINGS:**

The City of Corpus Christi has 22 water meters that are 10" or larger in the distribution system. A supply agreement with Neptune Technology Group, Inc. of Houston, Texas for various size water meters is in place. However, in 2019 Neptune Technology stopped manufacturing the large Turbine high performance water meters and the replacement parts and began providing these products through a third-party vendor. These third-party meters are not compatible with the City's Automated AMI system. This resulted in the need to obtain a separate contract for large water meters that are compatible with the City's AMI system. Omicron meters meet all Texas Commission on Environmental Quality

(TCEQ) and American Water Works Association (AWWA) accuracy and resiliency requirements.

### **PROCUREMENT DETAIL:**

Finance-Procurement conducted a Request for Bid Process to obtain bids. The City received four bids; two non-responsive and two responsive, responsible bids. Staff is recommending the award to the lowest, responsive, responsible bidder and incumbent, Omicron Controls, Inc., of The Woodlands, Texas. In 2019, the City paid \$70,175.60 for the large flow meters, which is approximately a 7% increase for this award.

The cost difference between the two bids is a result of each supplier's pricing methodology which is highly dependent on the estimated inflation and uncertainty over the course of the contract. Omicron Controls, Inc secured their pricing from the manufacturer for the contractual period of two years and has agreed in writing their prices are locked for the duration of the contract.

### **ALTERNATIVES:**

The alternative is to initiate individual purchases of meters for new large volume customers and for replacement meters that have been operated to failure. This would lead to unstandardized meters and would create long lead times that would temporarily reduce the ability to measure the flow of water, resulting in decreased revenue. It would also be more costly as the City would not benefit from the economy of scale offered by this new supply agreement.

### **FISCAL IMPACT:**

The fiscal impact for Corpus Christi Water is for an amount not to exceed \$37,577.20 for FY 2023, with additional \$37,577.20 to be budgeted in FY 2024 through the annual budget process.

### **FUNDING DETAIL:**

Fund:	4010 Water
Organization/Activity:	31510 Maintenance of Water Meters
Mission Element:	041 Distribute Water
Project # (CIP Only):	
Account:	520150 Meter/Serv connect

### **RECOMMENDATION:**

Staff recommends approval of the two-year agreement with Omicron Controls, Inc. as presented.

### **LIST OF SUPPORTING DOCUMENTS:**

Bid Tabulation  
Supply Agreement