



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting of March 2, 2021

**DATE:** February 23, 2021

**TO:** Peter Zaroni, City Manager

**FROM:** Kevin Norton, Director of Water Utilities  
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### **Water Meters and Components for Utilities Department**

#### **CAPTION:**

Motion authorizing a two-year supply agreement with Neptune Technology Group Inc., of Tallassee, Alabama, for a total amount not to exceed \$810,403.79, for water meters and components for the Utilities Department, with first-year funding in the amount of \$405,201.90 available in the FY 2021 Water Fund.

#### **SUMMARY:**

This motion authorizes a two-year supply agreement for water meters for the Utilities Department. This agreement is necessary in order to ensure a supply of meters and associated components needed to maintain the performance of the City's water meter system.

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

The City of Corpus Christi has over 100,000 metered water connections with an average of 1,000 new service connections being added every year. These connections, whether as part of a new service or regular maintenance, require the installation of components that ensure the continued accurate measurement of water usage. The value in accurate reporting of water usage is illustrated in both operational planning and collection of revenues. The City of Corpus Christi has been utilizing Neptune meters as part of normal operating practices due to its competitive price, accuracy, warranty, and integration with our current automatic metering infrastructure (AMI).

This procurement is through the HGACBuy Cooperative. The contracts awarded through the HGACBuy Cooperative have been competitively procured in compliance with Texas Local and State procurement requirements. The average percentage of savings through the cooperative contract is 56% off list price.

## **ALTERNATIVES:**

An alternative is to not enter into a service agreement, which would require separate procurements on an as needed basis, which would reduce the economies of scale pricing secured through a long-term contract, and would increase the time delay due to the procurement process, which could slow the level of response, in some cases, negatively impacting revenues.

## **FISCAL IMPACT:**

The fiscal impact for the Utilities Department is an amount not to exceed \$405,201.90 for the first year of the two-year supply agreement from the FY 2021 Water Fund, with the remaining cost of \$405,201.89 to be budgeted in future years through the annual budget process.

## **Funding Detail:**

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

## **RECOMMENDATION:**

Staff recommends approval of this motion authorizing a two-year supply agreement with Neptune Technology Group Inc., for water meters and associated components for the Utilities Department as presented.

## **LIST OF SUPPORTING DOCUMENTS:**

Price Sheet  
Supply Agreement