



AGENDA MEMORANDUM

Action Item for the City Council Meeting of June 22, 2021

DATE: June 22, 2021
TO: Peter Zanoni, City Manager
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Gas Meter Transmission Units

CAPTION:

Resolution authorizing a two-year supply agreement with Aclara Technologies LLC, of St. Louis, Missouri, for a total amount not to exceed \$1,463,575.00, for 18,805 gas meter transmission units for the Gas Department, effective upon issuance of notice to proceed, with FY 2021 funding in the amount of \$243,929.17 available through the Gas Fund.

SUMMARY:

This resolution authorizes a two-year supply agreement for the purchase of gas meter transmission units ("MTU's") for the Gas Department. This agreement is necessary to ensure a steady supply of MTU's in order to collect meter reads for customer billing.

BACKGROUND AND FINDINGS:

The City of Corpus Christi has approximately 61,000 metered gas connections, with new service connections added daily. In 2005, the City of Corpus Christi began implementation of the automated metering infrastructure that allows the wireless collection of daily meter readings for gas utilities. New meter transmission units must be installed to replace those that are broken or damaged and at new service connections lacking the required equipment. It is estimated that the department will need 8,700 units per year (7,700 for replacement and 1,000 for new service).

PROCUREMENT DETAIL

This is a sole source procurement. Aclara Technologies LLC is the sole source manufacturer of the STAR Fixed Network Automatic Meter Reading System which is currently installed throughout the city. Gas MTU's and MTU programmer software are

proprietary products of Aclara and are not compatible with any other automatic meter reading system. Aclara has not increased their price to the City throughout the two-year contract that is set to expire soon. The new contract pricing reflects a 2% and 1% price decrease on the two types of meter transmission units included in the agreement.

ALTERNATIVES:

An alternative to awarding this supply agreement is to not enter into an agreement, which would require separate procurements on an as needed basis. This would reduce the economies of scale pricing secured through a long-term contract, increase the time delay due to the procurement process, thereby resulting in inaccurate or non-reads on customer gas bills.

FISCAL IMPACT:

The fiscal impact for the Gas Department in FY 2021 is \$243,929.17 for this two-year supply agreement. The remaining cost to be budgeted in future years through the annual budget process.

FUNDING DETAIL:

Fund:	4130	Gas
Organization/Activity:	34130	Gas Construction
Mission Element:	022	
Project # (CIP Only):	N/A	
Account:	520150	Meter/serv cnct

RECOMMENDATION:

Staff recommends approval of this resolution authorizing a two-year supply agreement with Aclara Technologies LLC for gas meter transmission units for the Gas Department as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet
Supply Agreement
Resolution