



**PURCHASING ITEM  
FOR  
COUNCIL AGENDA**

**1. Agenda Item Number:**

**16**

**2. Council Meeting Date:**

August 16, 2012

**TO: MAYOR & COUNCIL**

**3. Date Prepared:** June 1, 2012

**THROUGH: CITY MANAGER**

**4. Requesting Department:** Municipal Utilities

**5. SUBJECT:** Amendment 3 extending Agreement WD6-890-2297 for the purchase of water meters and related equipment from HD Supply Waterworks, LTD for two years, in an amount not to exceed \$1,900,000.

**6. RECOMMENDATION:** Approval of Amendment 3 extending Agreement WD6-890-2297 for the purchase of water meters and related equipment from HD Supply Waterworks, LTD for two years, in an amount not to exceed \$1,900,000.

**7. HISTORICAL BACKGROUND/DISCUSSION:** The City has approximately 77,500 meters to collect revenue from water use. Water meters are purchased annually due to growth and replacement of old or broken meters. This Agreement will authorize Water Distribution and Meter Services to purchase up to 7,600 new and replacement meters and to purchase 3,000 automated meter reading (AMR) registers over the next two years.

**8. EVALUATION PROCESS:** In September 2006, the City entered into an Agreement with HD Supply Waterworks, LTD, formerly Hughes Supply, Inc., for the purchase of water meters and related equipment. The Agreement was for a two-year term with provisions to extend four additional two-year terms. The Agreement was extended for the second two-year term with no price increase and the contractor has agreed to extend for a third two-year term with no price increase. This request is for the third two-year extension.

By extending the Agreement, staff can purchase and install meters compatible with the current meter reading system. Staff does not believe better pricing will be achieved by re-bidding based on price comparisons with the City of Goodyear's CY 2012 meter bid and review of the Producer Price Index which increased 6.8% over the last two years.

**9. FINANCIAL IMPLICATIONS**

Costs: \$1,900,000  
Savings: N/A  
Long Term Costs: N/A

**Fund Source**

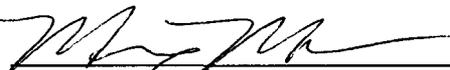
Acct. Name	Fund Name	Program Name	CIP Funded	Funds
101.0000.0000.1516	General Fund/Inventory	New Meters	No	\$ 1,900,000

**10. PROPOSED MOTION:** Move to approve Amendment 3 extending Agreement WD6-890-2297 for the purchase of water meters and related equipment from HD Supply Waterworks, LTD for two years, in an amount not to exceed \$1,900,000.

**APPROVALS**

**11. Requesting Department**

**13. Department Head**

  
Gregg Capps, Water Resource Manager

  
Dave Siegel, Municipal Utilities Director

**12. Procurement Officer**

**14. City Manager**

  
Mike Mandt, CPPB

  
Rich Dlugas

AMENDMENT NUMBER THREE,  
TO AGREEMENT BETWEEN THE CITY OF CHANDLER  
AND  
HD SUPPLY WATERWORKS LTD.  
FOR WATER METERS  
AGREEMENT NO. WD6-890-2297

This Amendment #3 to that certain Agreement between the City of Chandler (CITY) and HD Supply Waterworks (CONTRACTOR) for water meters dated September 1, 2006 (AGREEMENT) is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

WHEREAS, the AGREEMENT will expire August 31, 2012,

WHEREAS, the parties have agreed to extend the agreement,

NOW THEREFORE, the parties agree as follows:

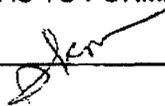
1. Section 5, Contract Amount is revised to read as follows: "The total Contract amount to be paid to CONTRACTOR shall not exceed the sum of One Million Nine Hundred Thousand Dollars (1,900,000) payable as set forth in Revised Exhibit B as revised by Amendment 1 for the goods and equipment described herein, which sum shall include all costs or expenses incurred by CONTRACTOR."
2. Section 6 of the AGREEMENT is hereby amended to extend the contract through August 31, 2014.
3. All terms and conditions in the original Agreement including not specifically amended herein shall be incorporated by reference in its entirety and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

CITY OF CHANDLER:

By: \_\_\_\_\_

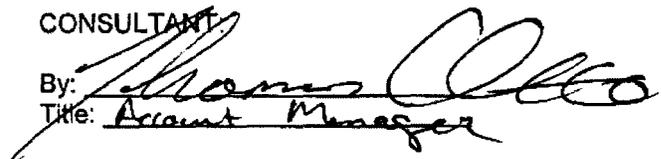
APPROVED AS TO FORM:

City Attorney 

ATTEST:

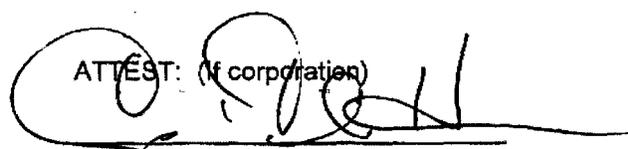
City Clerk

CONSULTANT

By: 

Title: Account Manager

ATTEST: (If corporation)

  
Secretary

WITNESS: (If individual or Partnership)

\_\_\_\_\_  
[SEAL]