



**PURCHASING ITEM  
FOR  
COUNCIL AGENDA**

**1. Agenda Item Number:**

19

**2. Council Meeting Date:**

July 10, 2014

**TO: MAYOR & COUNCIL**

**3. Date Prepared:** June 24, 2014

**THROUGH: CITY MANAGER**

**4. Requesting Department:** Municipal Utilities

**5. SUBJECT:** Amendment No. 1 extending Agreement No. MU4-890-3266, with HD Supply Waterworks, LTD., for the purchase of large water meters and meter parts.

**6. RECOMMENDATION:** Staff recommends City Council approval of Amendment No. 1 extending Agreement No. MU4-890-3266, with HD Supply Waterworks, LTD., for the purchase of water large meters and meter parts, for a two-year term, in a total amount not to exceed \$700,000.

**7. HISTORICAL BACKGROUND/DISCUSSION:** The City maintains approximately two hundred seventy large water meters. Large meters are three-inches in diameter or larger and are primarily used by commercial, multi-family, and industrial water users. Staff replaces or repairs failed meters to ensure customer water use is billed accurately. In addition to meter maintenance, Staff installs meters for new customers connecting to the City's distribution system. This agreement authorizes the purchase of new meters, replacement meters, and meter parts, compatible with the existing meter reading system and inventory.

**8. EVALUATION PROCESS:** In July 2013, the City entered into a Sole Source agreement with HD Supply Waterworks, LTD., for the purchase of large meters and meter parts. The agreement allows the City to purchase large water meters that have reading technology that is compatible with the residential water meters. The agreement was awarded for a one-year term, with provisions to extend for one (1) additional two-year term.

The term of this amendment is from September 1, 2014, through August 31, 2016. This is the first and final extension of the original agreement. There is no cost increase associated with this amendment.

The fourth and final extension for the purchase of small water meters and related equipment, with HD Supply Waterworks, LTD., is also going forward this council meeting.

**9. FINANCIAL IMPLICATIONS:**

Cost: \$700,000

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	Large Meters	Non-CIP	\$500,000
605.3800.0000.5330	Water Operating	Large Meters	Non-CIP	\$200,000
			Total:	\$700,000

**10. PROPOSED MOTION:** Move City Council approve Amendment No. 1 extending Agreement No. MU4-890-3266, with HD Supply Waterworks, LTD., for the purchase of large water meters and meter parts, for a two-year term, in a total amount not to exceed \$700,000.

**ATTACHMENT:** Amendment No. 1

**APPROVALS**

**11. Requesting Department**

  
Gregg Capps, Water Resource Manager

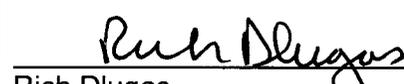
**13. Department Head**

  
Dave Siegel, Municipal Utilities Director

**12. Procurement Officer**

  
Mike Mandt, CPPB

**14. City Manager**

  
Rich Dlugas

AMENDMENT NUMBER ONE,  
TO AGREEMENT BETWEEN THE CITY OF CHANDLER  
AND  
HD SUPPLY WATERWORKS LTD.  
FOR LARGE WATER METERS  
AGREEMENT NO. MU4-890-3266

This Amendment #1 to that certain Agreement between the City of Chandler (CITY) and HD Supply Waterworks (CONTRACTOR) for water meters dated July1, 2013 (AGREEMENT) is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

WHEREAS, the AGREEMENT will expire August 31, 2014,

WHEREAS, the parties have agreed to extend the agreement,

NOW THEREFORE, the parties agree as follows:

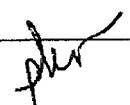
1. Section 5, Contract Amount is revised to read as follows: "The total Contract amount to be paid to CONTRACTOR shall not exceed the sum of seven hundred thousand dollars (\$700,000), which sum shall include all costs or expenses incurred by CONTRACTOR for the term of the Agreement from September 1, 2014 through August 31, 2016."
2. Section 6 of the AGREEMENT is hereby amended to extend the contract for a term of 24 months from September 1, 2014 through August 31, 2016.
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 \_\_\_\_\_, 2014.

CITY OF CHANDLER:

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

APPROVED AS TO FORM:

City Attorney 

ATTEST:

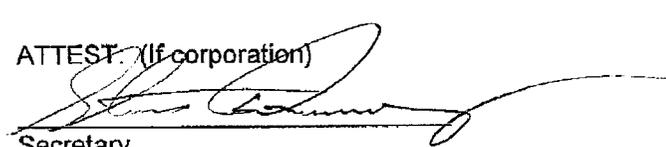
\_\_\_\_\_  
City Clerk

CONSULTANT:

By: 

Title: Account Manager

ATTEST (If corporation)

  
Secretary

WITNESS: (If individual or Partnership)

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